TESTIMONY OF

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BEFORE THE
CALIFORNIA PERFORMANCE REVIEW COMMISSION
AUGUST 20, 2004

ON THE RECOMMENDATION TO
"TRANSFORM ELIGIBILITY PROCESSING"

Co-chairs Kozberg and Hauck and Members of the Commission:

Good morning. My name is Sam Karp. I am the director of Health Information Technology at the California HealthCare Foundation (CHCF). The Foundation is an independent philanthropy, committed to improving California's health care delivery and financing systems.

I am very appreciative of the invitation to testify before you today on the recommendation of the California Performance Review to "Transform Eligibility Processing."

Summary

For the past five years, CHCF has promoted the use of online enrollment in public health insurance programs to make the process more secure, efficient and consumer-friendly — so that eligible individuals and families who are not enrolled can more easily access the benefits they are entitled to receive. Through investments in developing Internet-based systems and partnerships with the State of California and local communities to implement them, CHCF has been working to modernize the eligibility determination and enrollment process in California.

I am here today to concur with the CPR findings that current systems for enrolling in public benefit programs in California are inefficient, outdated and are often a barrier to access. In the year 2004, in a state that leads the nation in new technology, requiring a family to physically come in to a welfare office and spend up to three hours enrolling in a single program simply does not make sense.

My testimony today addresses the following three points:

1. As a state, California needs to better align its policy commitment to "eligibility" with the practical reality of how complex and difficult the enrollment process is to access, maneuver and administer.

2. To the extent budget realities necessitate hard choices, it is preferable to make cost-saving improvements in the business processes of how these programs operate, rather than generating cost-savings through benefit reductions, caps on enrollment or further reductions to already inadequately low provider rates; all of which create serious barriers to health care access.

3. "How" the system should be fixed and "who" should operate it are certainly open for debate, but the need to fix it, to make sweeping changes to increase efficiency and access, is indisputable and immediate.

California needs to simplify and streamline its current enrollment processes. At the same time, the State needs to consolidate and reform the current system of categorical programs, each with its own separate application form, eligibility rules, document requirements and enrollment process.

In addition to Medi-Cal, Food Stamps and CalWORKs, other programs should be considered as part of a new "one-stop" access to services and programs. The State should consider adding Healthy Families, Access for Infants and Mothers (AIM), Women Infants and Children (WIC), Child Health and Disability Prevention (CHDP), local Healthy Kids programs, childcare and several other programs that serve a similar population.

With more than 1.5 million California children uninsured, nearly two-thirds of who are eligible for Healthy Families or Medi-Cal, the enrollment process must work better for these children and their families.

California's Online Enrollment Experience

In 1999, in cooperation with the California Department of Health Services and the Managed Risk Medical Insurance Board, CHCF invested more than $3 million to develop Health-e-App. This is the nation's first Internet-based system for enrolling children and pregnant women in the Healthy Families and Medi-Cal for Children programs. The electronic application and a state-of-the-art online Computer Based Training (CBT) program were later licensed at no cost to the Sate of California and are currently in use statewide.

Health-e-App offers a fully automated solution, using an interactive interview process to collect information on family income, size and relationships and electronically transmits the application data and supporting documentation, including electronic signatures, to the State's Single Point of Entry.

The Lewin Group conducted an independent business case analysis[i] of the Health-e-App pilot in San Diego County. They found a high degree of satisfaction from program administrators, applicants and Certified Application Assistors who help families apply for coverage. The study found:

- 40% reduction in application errors
- 21% reduction in eligibility determination time
- 90% of applicants said they would rather apply online

Here in San Diego County for example, 18 community-based agencies, including community health centers and schools, are actively using Health-e-App to enroll thousands of children each year in the Healthy Families and Medi-Cal for Children programs. Statewide, hundreds of similar agencies are assisting families apply online.

Health-e-App has modeled for the State the operational efficiencies and improvements in customer service that can result from a well-designed and well-managed online enrollment system.

For more information about Health-e-App, visit the Web site at http://www.healtheapp.org.

Creating a True Single Point of Entry

Building on this success, CHCF has embarked on an even more ambitious effort, to create a true single point of entry for enrollment in a range of local and state administered health and social service programs — no matter where in a community a family applies for assistance. Called "One-e-App," the new system will eventually offer one-stop screening and enrollment, in more than a dozen different programs, including Medi-Cal, Healthy Families, CHDP, WIC, Food Stamps, local Healthy Kids programs and adult indigent care.

One-e-App makes the barriers inherent in the current categorical system of programs, each requiring its own individual application process, transparent to the family. The One-e-App approach ensures eligible applicants are enrolled in the program(s) that offer the most comprehensive coverage or benefit to each family member and assists communities to maximize their use of state and federal dollars before committing local resources.

One-e-App delivers better quality, and more timely and complete data via a single online application than the current (mostly paper) manual process, which is fraught with errors, redundancies and high costs.

A regional One-e-App pilot is currently underway in four Northern California counties – Alameda, Santa Clara, Santa Cruz and San Mateo. Each county's effort is being led by a partnership between the county health and social services agencies and the local health plan. The counties have invested between $400,000 and more than $1 million of their own funds in this effort. The pilot is well underway, and San Mateo, Santa Cruz and Santa Clara are using One-e-App to access the programs that are currently operational. Alameda County expects to begin implementing One-e-App this fall.

Six other counties, including Los Angeles, Sacramento and San Francisco are assessing requirements for using One-e-App. More than a dozen additional counties have expressed interest in One-e-App.

For more information about One-e-App, visit the Web site at http://www.oneeapp.org or contact OeA@chcf.org.

Lessons Learned

The experience from these engagements suggests four key lessons that have contributed to the success of Health-e-App and One-e-App:

1. As with most ventures, having a vision and strong leadership, with an ability to engage others in the process — from planning through implementation — is key.
2. Selecting the right technology is important, though equally important is the ability to manage

the disruption it creates and the policies, procedures and workflow that need to change to enable the redesigned approach.

3. The engagement of stakeholders in the planning and design of the solution offers valuable insights and is critical for long-term buy-in and adoption.

4. Providing "real time" services has been a key component of success. The ability to provide applicants with a preliminary eligibility determination, the use of electronic signatures, and real time payment of premiums and selection of providers and health plans has made the enrollment process a more seamless and consumer-friendly experience.

CPR Recommendations

With respect to recommendations contained in the "Transform Eligibility Processing" section of the CPR, CHCF respectfully submits the following comments:

Recommendation HHS 01-A: The State should consolidate eligibility processing for Medi-Cal, CalWORKs, and Food Stamps at the state level to follow the model of California's Healthy Families program.

- The Single Point of Entry model for Healthy Families and Medi-Cal for Children works because the application process consolidates and simplifies two separate program applications into a single unified application. To implement this recommendation, the State would have to simplify and align eligibility rules, streamline paperwork requirements, reduce office visit requirements and use information gathered for one program for determining or reviewing eligibility for other programs.

  For example, the Medi-Cal program alone has more than 165 aid codes, reflecting a complex patchwork of federal and state policies. Such complexity contributes to confusion for everyone involved — from families applying for coverage, to county workers who determine eligibility, to federal and state officials who set policies.

- There are challenges to aligning and streamlining program rules as each program provides a unique set of benefits that serve a unique purpose, is often administered by a different agency, and has a different financing mechanism. Despite these challenges, finding ways to package and deliver these benefits together via a simple application process, using various media (e.g., Internet, mail, telephone, fax) is a worthwhile goal.

- A 2003 report by the Washington, DC-based Center on Budget and Policy Priorities, *Aligning Policies and Procedures*, suggests current federal law allows for substantial alignment of procedural requirements and eligibility policy in key areas. Recent changes to the Food Stamp Program and the program alignment opportunities these changes provide, when coupled with the flexibility in the Medicaid, TANF, SCHIP, and child care programs, make it easier to move to a more streamlined structure.
  For example, some states use information provided by a family to maintain eligibility for Food Stamps to also renew the family's Medicaid coverage automatically; this means the family does not have to undergo two repetitive reviews.

- To create a true single point of entry, the State should consider the addition of a number of other health programs to make such an effort a true single point of entry for individuals and families. These programs include Healthy Families, CHDP, WIC, Food Stamps, local Healthy Kids programs and adult indigent care.

Recommendation HHS 01-B: The State should adopt a self-certification process for the asset test for applicants other than the aged, blind, and disabled.

- While CHCF supports this recommendation, the State should consider eliminating the asset test for adults, as it would facilitate streamlined business processes and the potential for fraud. Minimally, self-certification of assets would substantially reduce administrative costs associated with eligibility determination, be budget neutral and, by reducing the complexity of the Medi-Cal application process, foster increased enrollment among eligible parents. Studies have shown that enrollment among children increases when their parents can also obtain coverage.

- The State should consider eliminating questions not required by the federal government on the Joint Medi-Cal-Healthy Families application. The complexity of the applications is a barrier to enrollment. Similarly, the Medi-Cal Redetermination Form (Form 210RV) should be simplified.

- The State should consider permitting Medi-Cal managed care applicants to select a health plan and provider at time of enrollment, as Healthy Families applicants can do already. There is evidence that those who visit their providers at least once during the year are more likely to remain enrolled. Allowing Medi-Cal applicants to select a health plan and provider when they enroll would increase the likelihood that they see a provider within 90-days of enrolling in Medi-Cal.

- The State should consider allowing Medi-Cal beneficiaries and others to renew by telephone, using an Interactive Voice Response (IVR) system, which can provide up-to-date access to a client's information and allow that client to provide responses without speaking directly to a person.

- To address issues of fraud and abuse, the State should consider deploying available technologies used routinely by the commercial health insurance industry to identify potentially duplicate and fraudulent data records in real time, before eligibility is determined and benefits are paid

Recommendation HHS 01-C: The State should have a public awareness program component for the transition to an Internet-based eligibility system.

- CHCF supports the recommendation to permit and promote secure use of the Internet in enrollment. With more working families receiving public benefits, online enrollment would allow the submission of applications from home, work or a public library outside of traditional agency business hours (i.e., at night or on weekends).

- The State of Pennsylvania operates an online enrollment system for Cash Assistance, Food Stamps, TANF, Medicaid and SCHIP. A 2003 report by the National Academy for State Health Policy, *Public Access to Online Enrollment for Medicaid and SCHIP,* commissioned by CHCF, found that in Pennsylvania 75% of users of that system apply from home, 13% apply from a relative's home, 8% apply from a library, 3% from a school and 1% from the workplace.

- A 2003 Pew Internet and American Life Project survey, commissioned by CHCF, found that 45% of low-income Californians reported having access to the Internet. Not only are low-income Californians increasingly likely to have Internet access, but once online, they are just as likely as their wealthier counterparts to use the Internet to search for health information. The most popular health search topics for all Californians are health insurance, alternative medicine, and experimental treatments.

  The study *Wired for Health: How Californians Compare to the Rest of the Nation*, also shows that a majority of California's English-speaking Latinos has Internet access and uses it to get health information about as frequently as do all other Californians. The survey found that 58 percent of English-speaking Latinos have access to the Internet compared with 66 percent of all other Californians—and they use it to get health information at about the same rate.

- A 2002 report from the Bill & Melinda Gates Foundation*, People from Low-Income Families Disproportionately Use Library Computers*, found that 71% of persons without computer access at home or work said they have either started using the library or have used it more often since library computers have become available.

- The most recent report from the National Telecommunications and Infrastructure Agency, *A Nation Online,* published in 2002, led with an optimistic conclusion that "all groups of individuals are using [computer and Internet] technologies in increasingly greater numbers."

Conclusion

In summary, the CPR recommendations present an opportunity to take action. It will take political will, leadership and close cooperation between the State, the counties, advocates and California's information technology industry. It is an opportunity we cannot afford to waste.

Again, thank you for the opportunity to testify today. I am happy to answer any questions you may have.